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Monthly Statistical Report

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SUMMARY

With the past year's developments, a pattern is becoming increasingly evident as, for the third year in a row, U.S. production fell and consumption and imports continued to rise:

- Domestic production continued to decline in an environment of crude oil prices which had trended downward for much of the year. As a result of substantially lower drilling rates and reduced servicing of existing wells during the past three years, 1988's production by year-end had fallen to a level more than 1 million B/D lower than only three years ago.
- Partly because of the unexpected strength in the economy, petroleum deliveries rose more than most analysts had predicted, reaching the highest level since 1979. Nevertheless, according to preliminary estimates, petroleum's share of total energy consumption declined slightly for the second year in a row. Total energy consumption is estimated to have risen to the highest level ever—though it would have been roughly 25 percent higher without the conservation and efficiency gains of the past ten years.
- Rising usage and decreasing domestic supplies resulted in another increase in imports, also to the highest level since 1979. At 7.2 million B/D, 1988's imports have risen by more than 2 million B/D, or 45 percent, over the past three years.

All major products contributed to the year's 3.2 percent increase in deliveries, which exceeded many analysts' forecasts in part because of economic growth substantially stronger than the 2 to 3 percent originally anticipated for the year. Even though the year's deliveries reached a new recent-year high, fuel switching, particularly away from residual fuel oil, has significantly reduced overall petroleum consumption over the last ten years. Total deliveries in 1988 would have matched 1978's historical peak of 18.9 million B/D without the 1.7 million B/D decline in residual fuel oil consumption since that year.

By product category, gasoline's increase for the past year, at 1.6 percent, was the smallest, continuing the trend of declining rates of growth for gasoline that has been evident over the past three years. In fact, only a third of the increase in total deliveries over the past three years and about one fifth of 1988's increase is attributable to gasoline, though this product accounts for about 43 percent of domestic deliveries. Winter weather colder than in 1987 helped to boost distillate deliveries' increase to nearly 4 percent, compared with rates of about 2 percent or less in recent previous years; residual fuel oil recovered from 1987's decline with a 5.2 percent increase.

Kerosine jet fuel's 5.2 percent growth, though continuing to slow from the 10 percent increase of two years ago, was still one of the largest increases among the major products. Deliveries of "other oils" continued to grow as well, though less rapidly than in the previous year.

The level of crude oil prices, which before the OPEC production agreement late in the year had fallen by about one third since mid-1987, continued to discourage drilling and other upstream activity. As a result, a 60 thousand B/D increase in Alaskan crude oil production was more than offset by an annual average decline of nearly 300 thousand B/D for the rest of the U.S. The decline trend in lower 48 production accelerated in 1988, and is now estimated to be running at about 400 thousand B/D per year, compared with a decline trend of approximately 240 thousand B/D per year in 1987.

In response to the year's increased deliveries, refineries operated at some of the highest levels since the 1970s, averaging 84.3 percent of operable capacity. If only capacity in actual operation is counted, the utilization rate for the year would have been nearly 90 percent, only slightly less than the high, 92 percent level set in 1977. After the inventory buildup earlier in the year and the destocking pattern during much of the second half, total stocks ended the year only slightly down from the prior December.

Note: For layout purposes, the graphs of monthly data which normally appear with the text have been moved to the end of this month's Report.

API ESTIMATES

	DECEMBER		YEAR-TO-DATE	
	Million B/D	Percent Change	Million B/D	Percent Change
Total domestic deliveries	18.5	6.0	17.2	3.2
Crude oil production[2/]	7.9	(4.9)	8.1	(2.9)
Total imports[3/]	8.0	18.2	7.2	8.9
Stocks (million bbl)[3/]	1,045	(2.0)	na	na

PRODUCT SUPPLIED [1/]

Energy

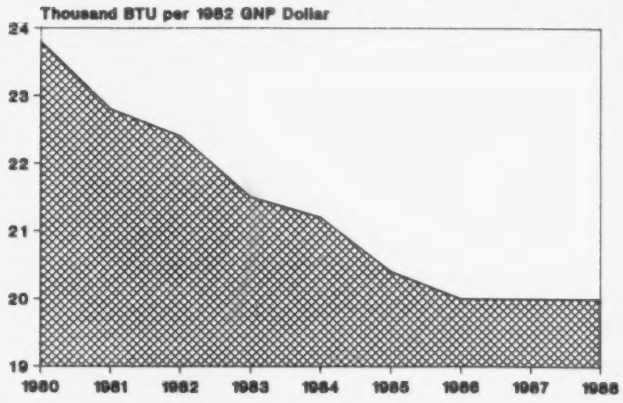
GROWTH FOR MOST FUELS PUSHES ENERGY TO NEW HIGH. Total energy use is estimated to have risen more than 4 percent in 1988, following 1987's healthy 3.5 percent rise. This puts total energy use at over 80 quads, surpassing the previous high of 78.9 quads reached in 1979. Much of 1988's larger increase was likely due to the one-time effects of leap year and weather extremes, in addition to strong economic growth. However, stronger energy growth in the past two years still contrasts with the earlier portion of the decade, when energy consumption had been trending slightly downwards.

According to preliminary estimates, strong growth in the consumption of non-petroleum fuels resulted in a slight decline in petroleum's share of total energy in 1988. Petroleum's declining share of the past two years has continued to erode 1986's price-related gain, which had been the first in nearly a decade. While its share had reached nearly 49 percent in 1977, 1988's share is estimated at a little more than 42 percent.

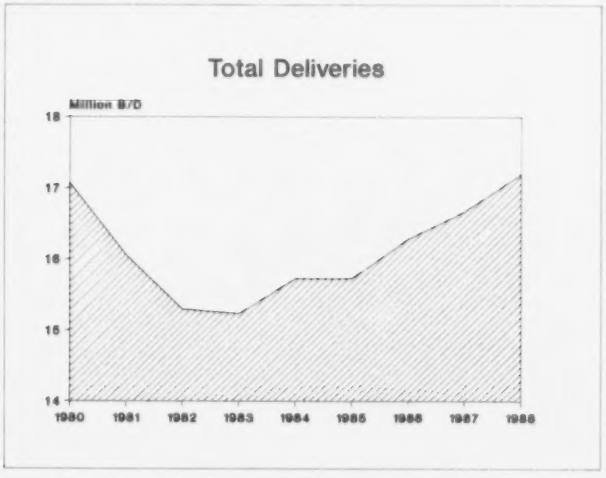
Two thirds of the increase in energy use was attributable to increases for fuels other than petroleum. Growth in electricity generation of nearly 5 percent gave a boost to coal consumption, while weather extremes and increased industrial use raised natural gas deliveries. Even so, natural gas' share fell short of coal's for the third year in a row. The coming on line of several additional plants, along with higher utilization, increased energy supplied from the nuclear power sector; hydropower generation, however, reflecting unfavorable weather, declined for the fifth year in a row.

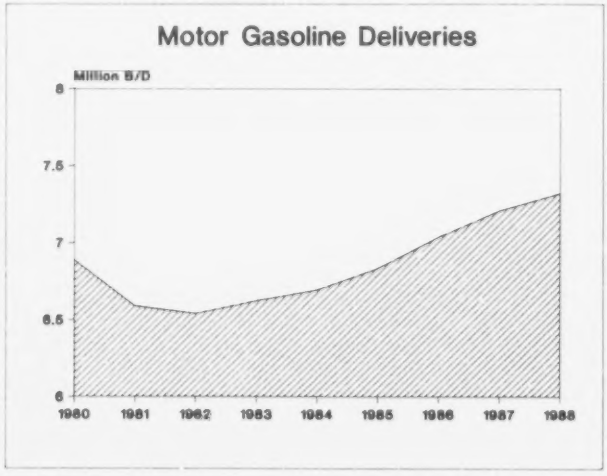
According to our estimates, energy efficiency, at least on the surface, might appear to have remained static in 1988, as it had in 1987 following the previous year's dramatic oil price decline. However, leap-year effects and weather extremes during the past year both pushed up energy use relative to GNP. Thus, the figures, once adjusted for these anomalies, actually suggest a

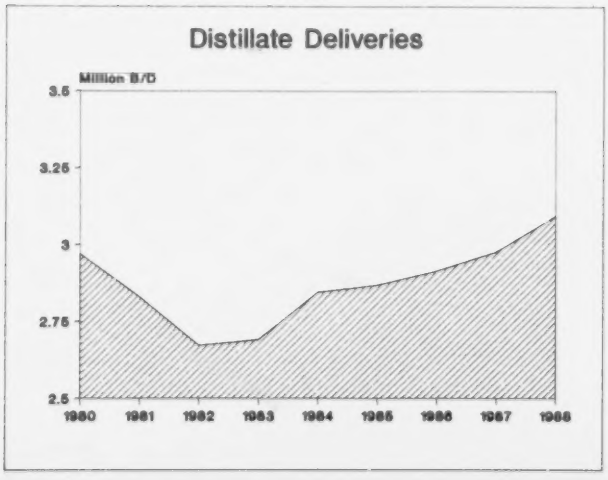
Energy Consumed Per Dollar of Real GNP

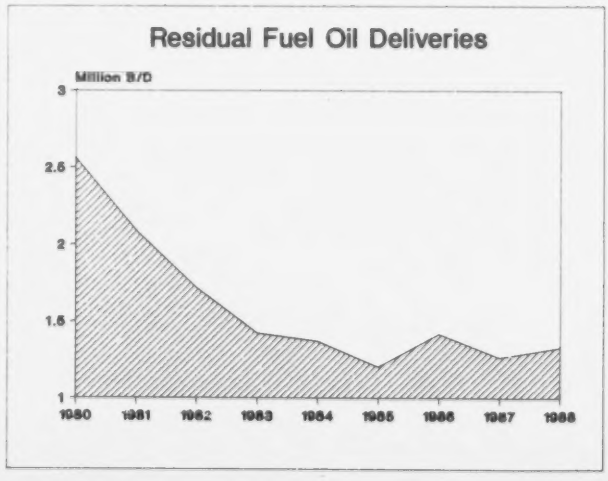


Sources: Department of Energy, Department of Commerce, API estimates.









small improvement in underlying energy efficiency for 1988.

Though this conclusion is preliminary and subject to the inherent variability of estimated data, it is to be expected that some continued improvement in energy efficiency would be taking place. This is because energy-using equipment such as vehicles, buildings, and industrial equipment continue to be replaced with more efficient models—equipment that has benefited from technological gains inspired by higher energy costs in the 1970s and early 1980s.

The net gain in energy efficiency over the past ten years has been impressive. Without the improvement in energy consumption per unit of economic output over the past ten years, domestic energy use would currently be roughly 25 percent higher; and without the shift away from oil to other fuels, the combined effect would mean that the U.S. would be consuming over 40 percent more petroleum than at present—and imports would be fully double their current level. The improvement in efficiency over the past year or two, however, has been much less than the average of nearly 3 percent per year experienced for 1978-1986.

Gasoline

GROWTH RATE SLOWS IN 1988. Gasoline deliveries continued to rise in 1988, though the rate of growth has been steadily declining over the past several years. Deliveries had jumped 3 percent in 1986, in part a response to retail prices which had fallen by nearly one fourth; growth in 1987 receded to 2.4 percent, and in 1988 slipped to 1.6 percent. Because of this slowing in deliveries growth, gasoline accounted for only a fifth of 1988's total deliveries increase and a third of that of the past three years. This was true even though gasoline's share of deliveries is roughly 43 percent.

Though the rate of growth appears to have slowed, 1988's increase still brought gasoline deliveries to within about 3 percent of 1978's historical high. The similarity in consumption levels, however, contrasts with the substantial increases in the vehicle population and travel over the decade. As one measure of the progress in fuel efficiency over the past ten years, the number of gasoline-powered vehicles on the highways has risen by more than 20 percent and travel has increased by nearly 30 percent.

Furthermore, despite more rapid economic growth, gasoline deliveries have increased less rapidly in the past six years than they did for most of the 1970s. The increase in deliveries, 1970-1978, averaged nearly 3.5 percent per year, compared with about 2 percent per year, 1982-1988. Meanwhile, growth in the economy rose from 3.2 percent per year in the earlier period to about 4 percent for the most recent six years.

Unleaded continued to gain market share in 1988, and by year-end accounted for all but 15 percent of gasoline deliveries. For the past two years, unleaded's penetration rate of 6 to 7 percentage points per year has exceeded the 4 to 5 point gains of earlier years as midgrade unleaded has continued to replace leaded regular on a supplier-by-supplier and market-by-market basis. A clearer picture of the midgrade situation may begin to take shape when the Department of Energy begins publishing data on midgrade unleaded sometime in 1989.

TABLE 1
ESTIMATED ENERGY CONSUMPTION AND SHARES BY TYPE

Consumption (Quadrillion BTU Annually)

	Coal	Natural Gas	Petroleum	Other	Total
1987	18.0	17.7	32.9	8.2	76.8
1988	18.9	18.6	34.0	8.6	80.1
Change	+ 0.9	+ 0.9	+ 1.1	+ 0.4	+ 3.3
Percent change	+ 4.7%	+ 5.5%	+ 3.5%	+ 4.6%	+ 4.4%

Market Shares (Percent)

1987	23.5	23.0	42.8	10.7	100.0
1988	23.5	23.3	42.4	10.8	100.0
Percentage point change in share	—	+ 0.3	− 0.4	+ 0.1	

Note: Figures rounded independently; calculations based on unrounded data. Because 1988 was a leap year, the percentage change for petroleum on an annual basis differs from that computed on a daily basis.

Sources: Department of Energy, API estimates.

TABLE 2

ESTIMATED DISTILLATE DELIVERIES BY SECTOR
(Thousand B/D)

	1987	1988	Percent Change
Residential and commercial	764	794	+ 3.9%
Farm	211	200	− 5.2
Industrial and oil company	248	260	+ 4.8
On-highway	1,185	1,245	+ 5.1
Railroad	205	210	+ 2.4
Other	364	384	+ 5.5
Total	2,977	3,093	+ 3.9%

Sources: Department of Energy, API estimates.

Distillates

WEATHER, ECONOMIC GROWTH CONTRIBUTE TO STRONG INCREASE. Distillate deliveries increased 3.9 percent in 1988, contrasting with the roughly 1 to 2 percent increases of the previous three years. Part of the larger increase was due to winter weather colder than in 1987 for both the first and fourth quarters which added an estimated 25 thousand B/D to the year's heating oil deliveries compared with the previous year.

The colder winter weather, combined with one of the hottest summers on record, increased electric utility use of distillate in peaking units to meet high electricity demand, though utility

use for the year as a whole is estimated to be up only about 10 thousand B/D. The drought, however, is estimated to have cut farm usage to some extent for the year.

In line with the trends of the last several years, the largest single contributor to distillate deliveries' increase has continued to be the transportation sector, particularly highway use. The strong economy—manufacturers' shipments rose roughly 9 percent for the year (unadjusted for inflation)—is estimated to have raised on-highway diesel usage by about 5 percent, or 60 thousand B/D, with an additional 5-10 thousand B/D from increased railroad consumption. Increased economic activity also contributed to the growth in industrial usage.

The on-highway sector's share of the distillate market appears to have stabilized over the past few years. On-highway diesel's rapid growth during the first half of the decade had translated into an increase in market share from 30 percent in 1980 to almost 40 percent in 1985. Since that time, its share has remained at about 40 percent as deliveries to other sectors, as a group, grew at about the same rate.

Residual Fuel Oil

1987's DECLINE REVERSED IN 1988. Deliveries of residual fuel oil for 1988 were estimated to be 1,330 thousand B/D, an increase of 5.2 percent from last year, substantially outpacing the rise in deliveries of total petroleum products for the year. Despite increased deliveries to most major end-use sectors, deliveries are still less than the levels reached in 1986, when prices fell substantially.

Reversing much of the previous year's slide, deliveries of heavy fuel oil to electric utilities are believed to have risen by 8 percent in 1988, accounting for more than half of the total increase in residual fuel oil deliveries. Deliveries to this sector are reported to have been bolstered by the decline in oil prices earlier in the year as well as the drought-related decline in hydroelectric power generation. Although some of the increase is the result of increases in the direct consumption of heavy oil, part of the increase in actual deliveries is believed to have resulted from a recent but substantial increase in stocks held by utilities.

For the year, bunker fuels deliveries are estimated to have risen 6.4 percent. This reflects continued increases in export activity as a result of the continuing decline in the value of the dollar. Much of the rise in the deliveries of bunker fuels is believed to have taken place during the first half of the year. More recently, other bunkering locations, such as Rotterdam, are believed to have been more competitive as sources of bunker fuel, limiting the increase in domestic bunker fuel deliveries.

TABLE 3

ESTIMATED RESIDUAL FUEL OIL DELIVERIES BY SECTOR
(Thousand B/D)

	1987	1988	Percent Change
Utilities	498	538	+ 8.0%
Bunkering	343	365	+ 6.4
Industrial and oil company	282	285	+ 1.1
Commercial	115	122	+ 6.0
Other	26	20	- 23.1
Total	1,264	1,330	+ 5.2%

Sources: Department of Energy, API estimates.

Commercial and industrial deliveries are also estimated to have risen, but these increases were more moderate. Although lower prices were believed to have stimulated deliveries for the year, other fuels, especially natural gas, were believed to have substantially limited penetration by residual fuel oil to those sectors. During the summer, for example, unusually low-priced gas displaced substantial portions of heavy fuel oil in both sectors.

Kerosine Jet Fuel

SLOWER GROWTH PARALLELS TRAFFIC. With the growth in air traffic slowing over the past two years, yearly increases in kerosine jet fuel deliveries have been lessening as well. After rising 10 percent in 1986 and nearly 7 percent in 1987, the past year's increase in deliveries of 5.2 percent was the smallest for kerosine jet fuel in six years—but still one of the largest increases for any major product in 1988.

As a result of this slower growth—and residual fuel oil's reversal of its 1987 decline—the rapid progress that kerosine jet fuel had been making towards replacing residual fuel oil as the third largest product, in terms of deliveries, was stalled in 1988. Even so, in the past five years, kerosine jet fuel deliveries have risen by almost 50 percent, paralleling increases in air traffic, while residual fuel oil deliveries have experienced a net decline of about 6 percent. The past year's deliveries of kerosine jet fuel, at 1.2 million B/D, where within less than 100 thousand B/D of those of residual fuel oil.

The slower growth in kerosine jet fuel deliveries in 1988 reflects developments in air traffic. Miles flown in the past year are estimated to be up about 4 percent, contrasting with increases of 12 percent in 1986 and 8 percent in 1987. Most of the year's increased traffic came from strong growth in international passenger travel and substantial increases in cargo traffic, both up roughly 15 percent for the year. Domestic revenue passenger miles, by contrast, are estimated to have risen only about 1 percent for the year.

Other Oils

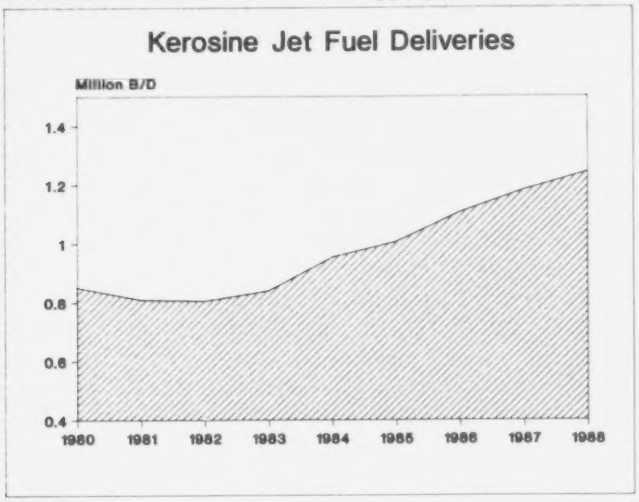
DELIVERIES RISE, BUT LESS THAN IN PRIOR YEAR. Deliveries of other oils for 1988 were estimated to have averaged 4,175 thousand B/D, an increase of 2.6 percent over the 1987 estimate of 4,071 thousand B/D. This is approximately half of the previous year-to-year increase in other oils' deliveries.

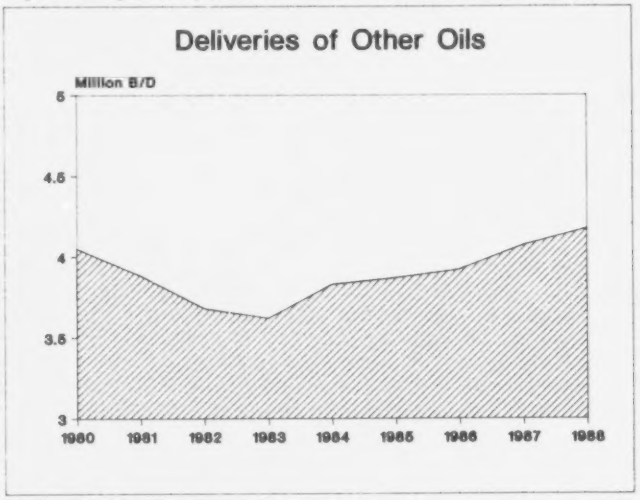
The moderation of the rate of growth of other oils for the year reflects several factors. The most important of these was the sharp slowdown in the year-to-year increase in petrochemical feedstock deliveries to a rate of approximately 1 percent. Within that category, however, there was a substantial shift in feedstock preference, resulting in greater deliveries for lighter products, especially ethane and butane. Propane, however, was believed to have declined slightly. At the heavier end, naphtha deliveries were likely to have been similar to those of last year, but gasoil deliveries were believed to have declined substantially, offsetting much of the increase in deliveries of lighter feedstocks.

Asphalt and road oil deliveries for 1988 were believed to have registered only a 1 percent increase. Unusually cold and wet weather is believed to have slowed deliveries of the product

during the first half of the year. In addition, delays in federal and state appropriations resulted in additional slowdowns in road building and maintenance during the middle of the year. Towards the end of the year, such activity is believed to have increased as a result of the eventual appropriation of funds as well as favorable weather conditions, accounting for much of the year-to-year increase in product delivery.

In December, deliveries of other oils were estimated to be 4,440 thousand B/D, slightly higher than November but representing a 6.7 percent increase from December 1987.





SUPPLY[1/]

Production

DECLINE RATE ACCELERATES IN LOWER 48.

Domestic crude oil production declined for the third year in a row in 1988 to 8.1 million B/D; a similar level has not been experienced since 1976, the year before production began at Alaska's Prudhoe Bay. By the end of 1988, production had fallen by more than 1 million B/D since early 1986.

The lower crude oil prices of the past three years have substantially reduced the level of upstream activity, which in turn has been reflected in production levels. Based on data for the first three quarters, well completions in 1988 are believed to have averaged only about half those in 1985. Oil well completions alone have likely fallen by roughly 60 percent in three years, with natural gas completions declining by about 35 percent.

Well servicing activity, though showing some recovery during the first part of the year, reversed direction as crude oil prices headed downwards, averaging about 30 percent lower than in 1985 for the year as a whole. Responding to the reduced upstream activity, employment in oil and gas extraction fell about 10 percent in 1988 to about the 420,000 level, 30 percent less than three years earlier.

As a result of these developments, the decline trend in lower 48 crude oil production accelerated in 1988. With the inclusion of December's data and revised data for earlier months, the rate of decline is now estimated at about 400 thousand B/D per year—compared with about 240 thousand B/D per year during 1987. For the year, lower 48 production fell to 6.1 million B/D, the lowest level since 1950.

Alaskan production increased by about 60 thousand B/D due to additional production from the Endicott field, which came on stream late in 1987. Because of the lower 48's continued declines and projects in Alaska which have come into production in the past several years after long periods of exploration and development work, that state's production now accounts for one fourth of U.S. crude oil output.

Imports

IMPORTS RISE TO HIGHEST ANNUAL LEVEL SINCE 1979.

Imports, rising nearly 600 thousand B/D in 1988 to 7.2 million B/D, reached the highest annual level since 1979 as a result of the year's increased deliveries and reduced crude oil production. After reaching an all-time high in 1977 of 8.8 million B/D, imports declined or held steady through the first half of the 1980s. However, since 1986, as lower oil prices encouraged consumption and discouraged production, imports have risen by more than 2 million B/D.

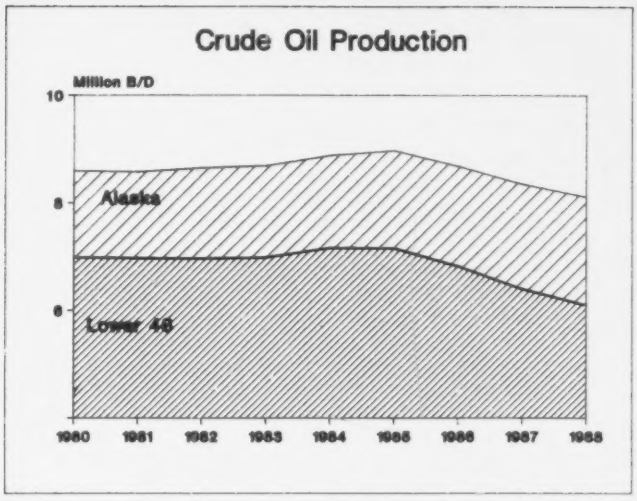
Though at year end, imports were exceeding the level of domestic crude oil production, steady output of natural gas liquids—averaging 1.6 million B/D—and other smaller domestic supply components kept the supply balance tipped towards the domestic side. Nevertheless, 1988's gross imports still accounted for about 42 percent of domestic consumption—up from 31 percent only three years ago. Of that three-year increase, about four fifths has come from OPEC producers and the bulk of that from the Middle East, reflecting the geographic distribution of worldwide incremental production capacity.

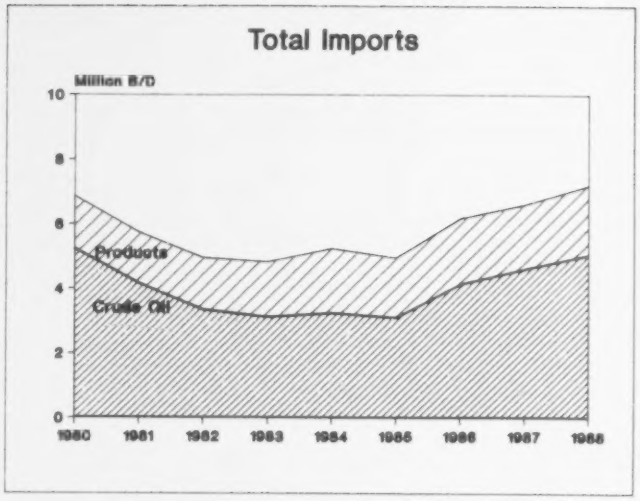
Nearly three fourths of the increase in imports in 1988 was in the form of crude oil, but product imports rose as well. Imports of gasoline and components, though up only 15 thousand B/D on average for the year, rose to the highest level ever. Distillate imports were up 25 thousand B/D, the third annual increase in a row. Because of strong imports towards the end of the year as deliveries began to increase significantly, imports of residual fuel oil rose 28 thousand B/D for the year as a whole.

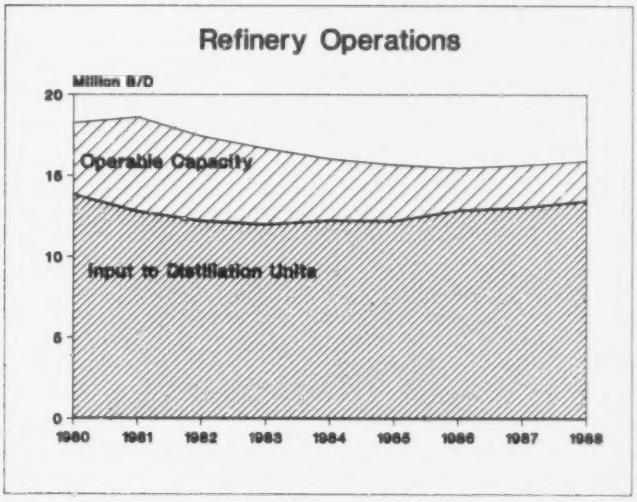
Refinery Operations

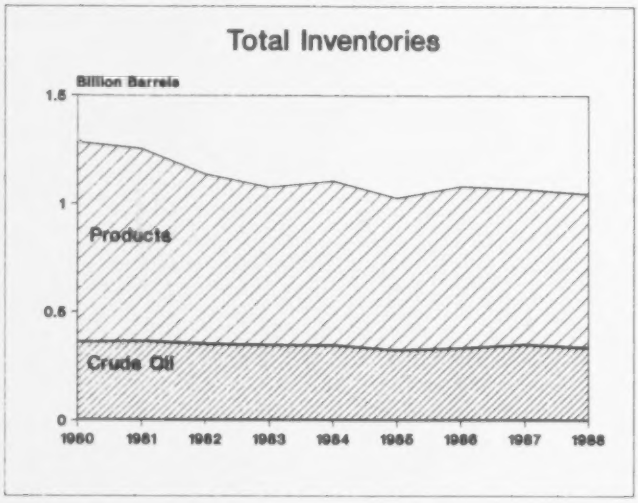
UTILIZATION HIGH IN 1988.

For many years in the early 1980s, the lower demand brought about by higher oil prices led to reduced refinery runs and annual utilization rates of as low as 69 percent. The growth in deliveries over the last









several years, however, has resulted in a corresponding increase in refinery operations. Since 1985, input to distillation units has risen nearly 1.3 million B/D, leading to an average utilization rate in 1988 of 84.3 percent of operable capacity.

This rate rises to nearly 90 percent if calculated on the basis of capacity in actual operation, and is within a few points of the unusually high, 92 percent level reached in 1977. Neither of these utilization rates take into account downstream units such as those used in the production of gasoline or other products. Although refiners have continued to upgrade downstream capacity, utilization for these units is reported to have been extremely high during the past year as well.

Increases in product output in 1988 roughly reflected the pattern in deliveries growth among the various products. Gasoline production rose 1.5 percent for the year to more than 6.9 million B/D, the highest level in a decade. Distillate production increased 4.7 percent and residual fuel oil, 4.4 percent.

Inventories

TOTAL STOCKS DOWN SLIGHTLY YEAR-TO-YEAR.

Stocks fell 24 million barrels in December, about average for the month. This contrasts with the above-average destocking pattern that had existed for much of the second half, despite the high level of imports. Even so, inventories at year-end were only 2 percent below the year-earlier level.

Gasoline stocks' increase in December of 10 million barrels was greater than normal. However, the increase brought gasoline stocks at the end of the year up to a level more in line with recent-year inventories for December than has been the case in recent months. Distillate inventories declined 2 million barrels, about average for the month, though year-end levels were down 7 million barrels compared with one year earlier.

1/ Total supply, i.e., production plus imports adjusted for net stock change is equal to total products supplied from primary storage. Total products supplied from primary storage less exports is equal to total domestic products supplied. Information contained in this report is derived from information published in the API Weekly Bulletin and is based on historical analysis of the industry. All data reflect the most current information available to the API and include all previously published revisions.

2/ Includes lease condensate.

3/ API data do not include crude oil imported for the Strategic Petroleum Reserve (SPR) nor crude oil stocks held in the SPR (according to the U.S. Department of Energy, the SPR held approximately 560 million barrels as of December 31, 1988).

ESTIMATED UNITED STATES PETROLEUM BALANCE

(Daily Average in Thousands of 42 Gallon Barrels)

Products Supplied/Supply From Primary Storage	DECEMBER			YEAR-TO-DATE		
	1988[1]	1987[2]	% Change	1988[3R]	1987[2]	% Change
Products Supplied:						
Total motor gasoline	7,366	7,251	1.6	7,320	7,206	1.6
Finished leaded motor gasoline*	1,077	1,537	(29.9)	1,331	1,736	(23.3)
Finished unleaded motor gasoline*	6,289	5,714	10.1	5,989	5,470	9.5
Naphtha-jet	213	175	21.7	211	204	3.4
Kerosine-jet	1,378	1,288	7.0	1,243	1,181	5.2
Distillate fuel oil	3,445	3,318	3.8	3,093	2,977	3.9
Residual fuel oil	1,815	1,434	26.6	1,330	1,264	5.2
All other oils[4]	4,440	4,163	6.7	4,175	4,071	2.6
Reclassified[5]	- 172	- 184	(6.5)	- 174	- 238	(26.9)
Total domestic products supplied	18,485	17,445	6.0	17,198	16,665	3.2
Exports	707	1,057	(33.1)	796	764	4.2
Total products supplied	19,192	18,502	3.7	17,994	17,429	3.2
Supply:						
Domestic production:						
Crude oil[6]	7,909	8,318	(4.9)	8,111	8,349	(2.9)
Natural gas liquids	1,684	1,621	3.9	1,621	1,595	1.6
Other supply[7]	843	843	-	1,010	841	20.1
Total domestic supply	10,436	10,782	(3.2)	10,742	10,785	(0.4)
Imports:						
Crude oil, total	5,302[10/]	4,572[10/]	16.0	5,034[10/]	4,601[10/]	9.4
Canadian	673	585	15.0	677	608	11.3
Other	4,629	3,987	16.1	4,357	3,993	9.1
Products, total	2,694	2,194	22.8	2,158	2,004	7.7
Residual fuel oil	981	650	50.9	593	565	5.0
Other	1,713	1,544	10.9	1,565	1,439	8.8
Total imports	7,996	6,766	18.2	7,192	6,605	8.9
Total supply	18,432	17,548	5.0	17,934	17,390	3.1
Stock change, all oils	- 760	- 954	XXXX	- 60	- 39	XXXX
Refinery Operations						
Input to crude oil distillation units	13,452	13,383	0.5	13,427	13,003	3.3
Operable capacity	15,922	15,946	(0.2)	15,919	15,643	1.8
Refinery utilization (%)[8]	84.5%	83.9%	0.7	84.3%	83.1%	1.4
Crude oil runs	13,358	13,212	1.1	13,281	12,854	3.3

Stocks (millions bbls.)	1988		1987[2]	% Change from . . .	
	Dec. 31[9]	Nov. 30[9]	Dec. 31	Previous Month	Year Ago
Crude oil 10/	332.8	338.5r/	349.0	(1.7)	(4.6)
Unfinished oils	98.8	111.7r/	93.2	(11.5)	6.0
Total motor gasoline**	228.8	219.2r/	226.2	4.4	1.1
Finished leaded motor gasoline*	40.7	38.4	53.1	6.0	(23.4)
Finished unleaded motor gasoline*	148.9	143.5r/	135.7	3.8	9.7
Naphtha-jet	6.3	6.6	8.0	(4.5)	(21.2)
Kerosine-jet	37.6	38.6	42.0	(2.6)	(10.5)
Distillate fuel oil	127.0	128.7	134.5	(1.3)	(5.6)
Residual fuel oil	44.4	42.5	47.4	4.5	(6.3)
All other oils	169.4	182.8r/	166.5	(7.3)	1.7
Total all oils	1,045.1	1,068.6r/	1,066.8	(2.2)	(2.0)

1/ Based on API estimated data converted to a monthly basis.
2/ Source: U.S. Department of Energy.
3/ Source: January-October, U.S. Department of Energy, November-December, API.
4/ Includes crude losses.
5/ Beginning with January 1981, U.S. Department of Energy began using a new data collection system which encompasses a method to ascertain the amount of product reclassified during the production phase. So that there will be no double counting of these volumes, they are subtracted from total domestic products supplied.
6/ Includes lease condensate.
7/ Includes Unaccounted-for crude oil, Refinery input of other hydrocarbons, and Processing gain.
8/ Represents "Input to crude oil distillation units" as a percent of "Operable capacity."
9/ Derived by interpolating API weekly stocks data.
10/ Data do not include oil imported for the Strategic Petroleum Reserve (SPR) nor crude oil stocks held in the SPR.
R/ Revised.
* Included in motor gasoline.
** Includes finished leaded, finished unleaded, and motor gasoline blending components stocks.

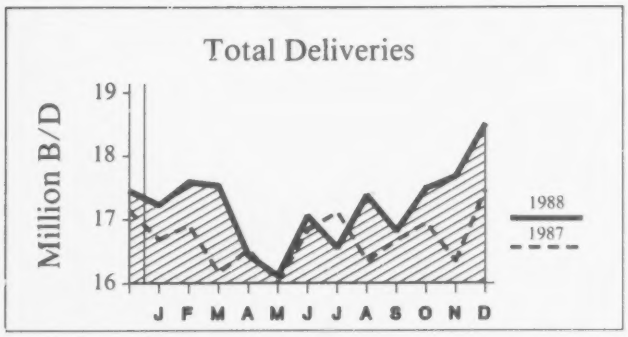
ESTIMATED UNITED STATES PETROLEUM BALANCE

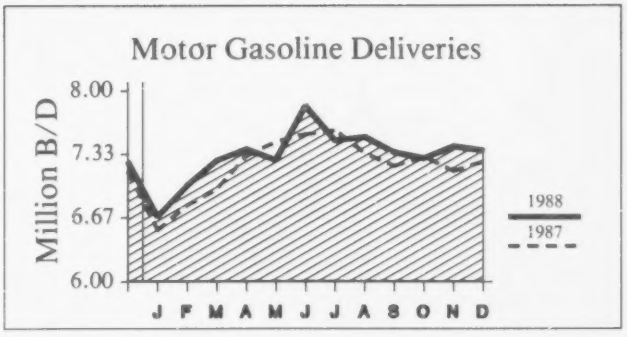
(Daily Average in Thousands of 42 Gallon Barrels)

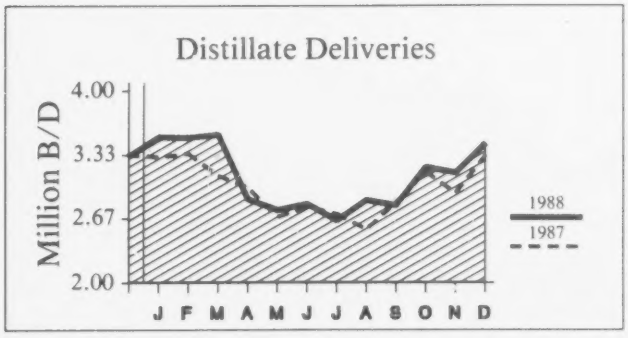
Products Supplied/Supply From Primary Storage	4th QUARTER		
	1988[1]	1987[2]	% Change
Products Supplied:			
Total motor gasoline	7,355	7,237	1.6
Finished leaded motor gasoline*	1,173	1,590	(26.2)
Finished unleaded motor gasoline*	6,182	5,647	9.5
Naphtha-jet	216	200	8.0
Kerosine-jet	1,310	1,231	6.4
Distillate fuel oil	3,266	3,136	4.1
Residual fuel oil	1,496	1,236	21.0
All other oils[3]	4,432	4,147	6.9
Reclassified[4]	- 179	- 270	(33.7)
Total domestic products supplied	17,896	16,917	5.8
Exports	730	814	(10.3)
Total products supplied	18,626	17,731	5.0
Supply:			
Domestic production:			
Crude oil[5]	7,982	8,359	(4.5)
Natural gas liquids	1,655	1,620	2.2
Other supply[6]	826	782	5.6
Total domestic supply	10,463	10,761	(2.8)
Imports:			
Crude oil, total	5,371[9/]	4,857[9/]	10.6
Canadian	658	599	9.8
Other	4,713	4,258	10.7
Products, total	2,491	2,058	21.0
Residual fuel oil	744	544	36.8
Other	1,747	1,514	15.4
Total imports	7,862	6,915	13.7
Total supply	18,325	17,676	3.7
Stock change, all oils	- 301	- 55	XXXX
Refinery Operations			
Input to crude oil distillation units	13,337	13,118	1.7
Operable capacity	15,929	15,808	0.8
Refinery utilization (%)[7]	83.7%	83.0%	0.8
Crude oil runs	13,213	12,975	1.8

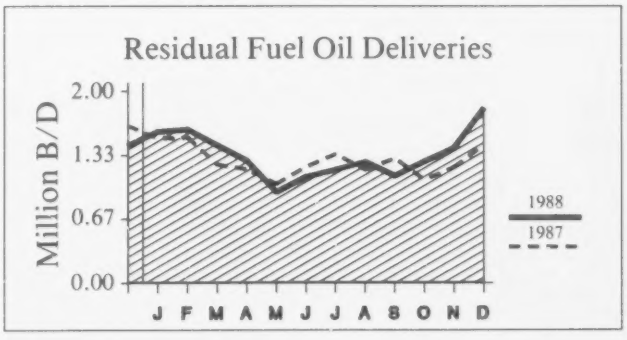
Stocks (millions bbls.)	4th QUARTER		
	1988[8]	1987[2]	% Change
Crude oil	332.8[9/]	349.0[9/]	(4.6)
Unfinished oils	98.8	93.2	6.0
Total motor gasoline**	228.8	226.2	1.1
Finished leaded motor gasoline*	40.7	53.1	(23.4)
Finished unleaded motor gasoline*	148.9	135.7	9.7
Naphtha-jet	6.3	8.0	(21.2)
Kerosine-jet	37.6	42.0	(10.5)
Distillate fuel oil	127.0	134.5	(5.6)
Residual fuel oil	44.4	47.4	(6.3)
All other oils	169.4	166.5	1.7
Total all oils	1,045.1	1,066.8	(2.0)

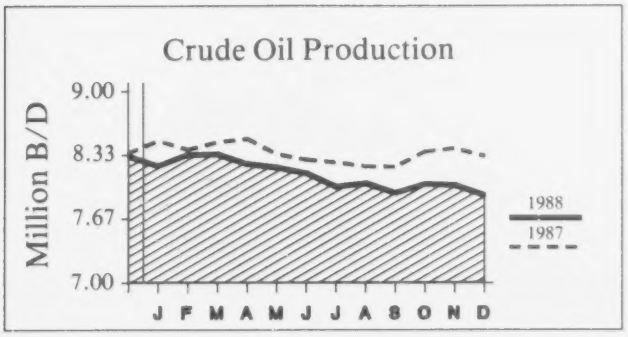
1/ Source: U.S. Department of Energy, October; November-December, API.
2/ Source: U.S. Department of Energy.
3/ Includes crude losses.
4/ Beginning with January 1981, U.S. Department of Energy began using a new data collection system which encompasses a method to ascertain the amount of product reclassified during the production phase. So that there will be no double counting of these volumes, they are subtracted from total domestic products supplied.
5/ Includes lease condensate.
6/ Includes Unaccounted-for crude oil, Refinery input of other hydrocarbons, and Processing gain.
7/ Represents "Input to crude oil distillation units" as a percent of "Operable capacity."
8/ Derived by interpolating API weekly stocks data.
9/ Data do not include oil imported for the Strategic Petroleum Reserve (SPR) nor crude oil stocks held in the SPR.
* Included in motor gasoline.
** Includes finished leaded, finished unleaded, and motor gasoline blending components stocks.

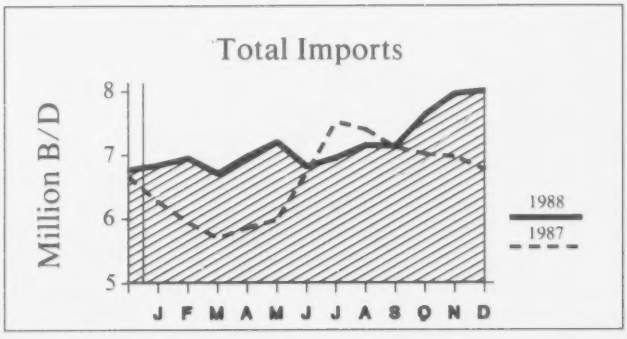

Total Deliveries
Million B/D
19
18
17
16
J F M A M J J A S O N D
1988
1987

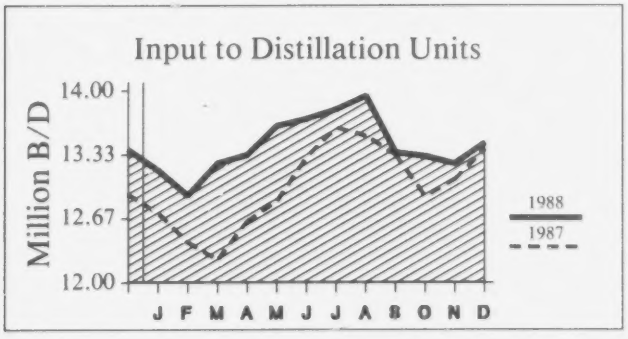

Motor Gasoline Deliveries
Million B/D
8.00
7.33
6.67
6.00
J F M A M J J A S O N D
1988
1987

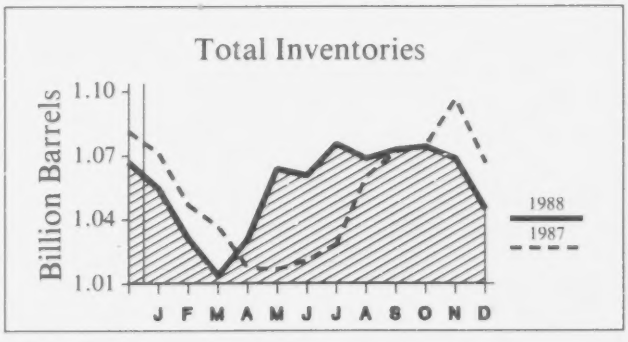

Distillate Deliveries
Million B/D
4.00
3.33
2.67
2.00
J F M A M J J A S O N D
1988
1987


Residual Fuel Oil Deliveries
Million B/D
2.00
1.33
0.67
0.00
J F M A M J J A S O N D
1988
1987


Crude Oil Production
Million B/D
9.00
8.33
7.67
7.00
J F M A M J J A S O N D
1988
1987


Total Imports
Million B/D
8
7
6
5
J F M A M J J A S O N D
1988
1987


Input to Distillation Units
Million B/D
14.00
13.33
12.67
12.00
J F M A M J J A S O N D
1988
1987


Total Inventories
Billion Barrels
1.10
1.07
1.04
1.01
J F M A M J J A S O N D
1988
1987